EXHIBIT A

Page 1

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 1              UNITED STATES DISTRICT COURT
 2              NORTHERN DISTRICT OF ILLINOIS
 3                   EASTERN DIVISION
 4
 5   CYNTHIA RUSSO, LISA BULLARD,        )
     RICARDO GONZALES, INTERNATIONAL     )
 6   BROTHERHOOD OF ELECTRICAL WORKERS   )
     LOCAL 38 HEALTH AND WELFARE FUND,   )
 7   INTERNATIONAL UNION OF OPERATING    )
     ENGINEERS LOCAL 295-295C WELFARE    )
 8   FUND, AND STEAMFITTERS FUND LOCAL   )
     439, on Behalf of Themselves and    )
 9   All Others Similarly Situated,      )
                                         )
10              Plaintiffs,              )
                                         )
11                 vs.                   )Case No.
                                         )17-cv-2246
12   WALGREEN CO.,                       )
                                         )
13              Defendant.               )
     _____)
14
15
16        VIDEO-RECORDED REMOTE DEPOSITION OF
17              LYNETTE HILTON, Ph.D.
18            Tuesday, January 17, 2023
19                   Volume I
20
21    *** CONFIDENTIAL PURSUANT TO PROTECTIVE ORDER ***
22   Reported by:
     CARLA SOARES
23   CSR No. 5908
24   Job No. 5645367
25   Pages 1 - 347
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1   overpayment and you exclude it, correct?   18:08:23

2   A   That's correct.

3   Q   And if the total overpayment is positive,

4   then you assign a damage to it, correct?

5   A   That's correct.   18:08:27

6   Q   What data do you use to find the TPP

7   payment?

8   A   The PBM data.

9   Q   Let's look at Appendix A, which is

10   paragraphs 43 to 52. This is where you give some   18:08:31

11   information about how you determined the PSC price,

12   correct?

13   A   Yes.

14   Q   Why don't you let us know what your

15   methodology is for determining the PSC price.   18:08:34

16   A   Okay. So I have three sources of data

17   that I received from Walgreens that contain PSC

18   pricing: The PSC claims data, the ESI data, and the

19   Connecticut data.

20   So I'm going to use -- I use all three of   18:08:40

21   those sources, and I have a hierarchy. So -- and

22   I'll go back and give you a little more detail.

23   But first I would look at the PSC data.

24   If I identify for a given drug, for a given

25   quantity, on a given date, a PSC price, then that's   18:08:45

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 1   the price I would use.                                18:08:47

 2           If I don't see it in the PSC transaction

 3   data on that given date, I would look ahead up to

 4   seven days to see if I see a price.  And again, I'll

 5   let you know what I use for price, but just giving     18:08:51

 6   you that general overview.

 7           If I don't see it within seven days in the

 8   PSC transaction data, then I look at the ESI data,

 9   and I look for that given drug quantity.

10           As you probably know, the ESI data are        18:08:57

11   approximately weekly, so I look in that time frame

12   for a transaction of that quantity and that drug.

13           If I don't see it in the ESI data, I look

14   in the Connecticut data.  Again, those data are

15   about monthly, so I look in that -- the relevant      18:09:03

16   month to see if I can find a transaction there -- or

17   a price there, I should say.  Not transaction.

18           And then if I don't see it in any of those

19   places, it's dropped and assumed not -- it's not

20   relevant, either not a PSC drug or we don't have a    18:09:09

21   PSC price for it.

22        Q   Can I just stop you for one second?

23        A   Yes.

24        Q   If you exclude it and you don't assign a

25   PSC price, and then if you find a transaction in      18:09:14
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 1    which there was a transaction for that drug on that        18:09:15

 2    quantity on that day, you don't assign any damages,

 3    correct?

 4         A    I'm sorry.  I think I lost you at the

 5    beginning of your question.  Can you just repeat          18:09:18

 6    that?

 7         Q    Sure.

 8              If you don't -- if you exclude it because

 9    you didn't determine a PSC price for that day, if

10    there's a transaction for that drug in that quantity      18:09:22

11    on that date, you don't assign any damages to that

12    transaction, correct?

13         A    Yes.  You're talking about if I see a

14    transaction in the Walgreens data, I drop that --

15    that transaction?                                         18:09:27

16         Q    Or the PBM data.

17         A    Yes, and don't assign a damage.  That's

18    right.  Yes.

19         Q    Okay.  Continue.

20         A    Okay.  So going back to the PSC               18:09:31

21    transaction data, I'm going to tell you how I

22    identify PSC transactions and then the prices that I

23    use.

24              There's -- I do want to note that I

25    explain a little bit of it in paragraph 45, but          18:09:35
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1    a tie.                                          18:18:04

2            So it's not in the report.  It's in the

3    Dymon declaration, though.  Dymon says that the --

4    in that paragraph we were -- I believe it was the

5    paragraph we were just looking at -- it may be a    18:18:07

6    different paragraph -- that the PSC price is given

7    by the most -- I think his language was "frequently

8    observed," or "the most commonly observed" price on

9    a given date.

10       Q   Did you incorporate by reference the Dymon   18:18:12

11   data declaration into your report somewhere?

12       A   I cite his declaration throughout the

13   report.

14       Q   Do you cite that particular part of the

15   declaration that says -- that would show us in the   18:18:16

16   report that you're using the most frequently charged

17   price?

18           MR. ALEXANDER:  Objection to form.

19           THE WITNESS:  I'm looking at the exhibit.

20           So it's paragraph 34 of the Dymon           18:18:20

21   declaration.  (As read), "The PSC price will be

22   reflected in the Walgreens transactional data,

23   associated with the majority of other PSC

24   transactions for the same drug in the same form and

25   quantity on the same date."                         18:18:24
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  1    BY MR. LEIB:                                 18:19:37

  2         Q   So now that you've -- and you don't know

  3    one way or the other, or do you, that you -- if it's

  4    a tie, that you use a composite price?

  5         A   That -- like I said, it would be subject  18:19:42

  6    to check.

  7         Q   Would you be able to check and let us know

  8    through your counsel what the answer is?

  9         A   Yes, provided it's okay with my counsel.

 10         MR. LEIB:  Is it okay with you, Carey?   18:19:47

 11         MR. ALEXANDER:  We'll take the request

 12    under advisement.

 13         MR. LEIB:  The request is made.

 14         MR. ALEXANDER:  So advised.

 15    BY MR. LEIB:                                 18:19:50

 16         Q   Okay.  What's next in your steps to

 17    determine what the PSC price is?

 18         A   So if I don't find a price -- a PSC price

 19    in the transaction data, then the next place I would

 20    look would be the ESI data.                  18:19:54

 21         Q   Before we go there, let me see if I

 22    understand.

 23             The first step you do is, for the entire

 24    time period, January 1st, 2007, to whenever you

 25    would do it to -- presumably the present -- you try  18:19:58
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1   and find a PSC price for every date.   18:19:59

2   Is that accurate?

3   A   Yes.

4   Q   And after you create that table, let's

5   call it, you would then go to transactions and look   18:20:02

6   at the transactions, and then use the PSC price from

7   the table that you're creating, correct?

8   A   Yes. It's a little different sequence,

9   but basically what you're saying, yes.

10   Q   What's the different sequence?   18:20:07

11   A   Well, I created a table that had all

12   the -- all the different possibilities. And I would

13   take a transaction from Walgreens, look in the PSC

14   pricing or transaction data. If I didn't find it

15   there, then I'd look in the ESI data. If I didn't   18:20:12

16   find it there, then I'd look at the Connecticut

17   data.

18   Q   So for each transaction, you didn't

19   necessarily populate a PSC price for every day; you

20   looked at -- because you were working on a limited   18:20:17

21   set of data, you only -- you just looked for those

22   dates that you were trying to find; is that

23   accurate?

24   A   No. I'm sorry. Maybe I misunderstood

25   what you said earlier.   18:20:22

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1   But no, I did -- I did end up building a   18:20:23

2   table that had a PSC price for every

3   quantity/drug/date combination, and then I filled

4   in, you know, if they were missing in the seven --

5   for the seven days.   18:20:26

6   And then if I didn't find it there, then I

7   went to the ESI data.

8   Q   Right.

9   I'm just saying, overall, including with

10   ESI and including with the Connecticut data, what   18:20:30

11   your goal here is is to get a PSC price for every

12   day?

13   A   That -- yes. Yes.

14   Q   Okay. So if in the seven days -- just to

15   put the closing bow tie on the claims data part --   18:20:34

16   if there's a PSC transaction -- if you're looking

17   starting on January 1st and there's not a PSC

18   transaction, but there is one on January 8th, then

19   you're going to take the majority of the PSC prices

20   for those transactions on January 8th, you're going   18:20:40

21   to assign that majority price to January 8th,

22   January 7th, January 6th, January 5th, January 4th,

23   January 3rd, January 2nd, and January 1st, correct?

24   A   Correct.

25   Q   And if the first day after January 1st you   18:20:44

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 1    Connecticut I believe that's true, and I think it's      18:22:03

 2    true for ESI as well.

 3         Q    Were there any days in 2018 and 2019 for

 4    any NDCs that you weren't able to come up with some

 5    ESI price for a particular drug, particular             18:22:07

 6    quantity?

 7         A    Using my entire methodology or just --

 8         Q    Yeah, using the entire methodology.

 9         A    Yeah.  Any drug -- I'm sorry.  Any drugs

10    on any day of any quantity that I couldn't come up      18:22:12

11    with a PSC price for?

12         Q    Correct.

13         A    I don't have that off the top of my head

14    because I was looking at -- I was able to find a PSC

15    price for all of the data -- for example, all of the    18:22:16

16    examples in Exhibit 3, and I believe even for all of

17    the transactions for consumer -- for the plaintiffs,

18    the fund plaintiffs and the consumer plaintiffs.

19              So I assume if I have a bigger population

20    of data, there may be -- that may be the case.  But     18:22:20

21    for the data I was looking at for this analysis, I

22    believe I was able to find a PSC price for

23    everything.

24         Q    Okay.  And then if you were looking --

25    now, you only used the Connecticut data for             18:22:25
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1   pre-2018; is that accurate?   18:22:26

2   A   I'm sorry. For pre-2018?

3   Q   Correct.

4   MR. ALEXANDER: Objection to form.

5   THE WITNESS: So the Connecticut data goes   18:22:29

6   from June 2010 to the end of '19, I believe. And I

7   used it -- if I didn't find a PSC price in the PSC

8   transaction data or the ESI data, then I would use

9   the Connecticut data.

10   BY MR. LEIB: 18:22:34

11   Q   And what did you -- what did you do with

12   the Connecticut data?

13   A   So the Connecticut data, those files were

14   produced in intervals I think of about a month. You

15   know, I think it varied a little bit.   18:22:38

16   So I assumed that the price that was

17   determined or listed on the first -- for the date

18   that the file -- the date of the file through the

19   date of the next file. So it's for that entire

20   month, for example.   18:22:43

21   And there, I also had to do the

22   calculations that we were talking about with the

23   ESI. We had to determine, based on the drug and the

24   quantity, the bucket it fell into. That sort of

25   thing.   18:22:48

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 1        Q    You would have to do a calculation on the      18:22:48

 2   Connecticut data based on ESI's information?

 3        A    No, no, no.  Sorry.

 4             MR. ALEXANDER:  Objection to form.

 5             THE WITNESS:  Sorry.                            18:22:52

 6             Similar to what you were describing with

 7   ESI, where I had to do some calculations to get to a

 8   price.

 9   BY MR. LEIB:

10        Q    What calculations did you have to use in       18:22:55

11   the Connecticut data, or do in the Connecticut data?

12        A    I believe, subject to checking, that it

13   was similar, where it would give you the buckets of

14   where the various quantities fell and then the

15   pricing associated with those quantities.  But I'd       18:23:00

16   have to double-check that.

17             We didn't really end up needing to use the

18   Connecticut data for this particular analysis, so --

19   because we were able to find pricing for both -- for

20   everything using the PSC and the ESI data.  So I'm       18:23:05

21   not --

22        Q    For the transactions that you were looking

23   for?

24        A    Yeah.  So I'm not as familiar with the

25   Connecticut data because it wasn't necessary.            18:23:09
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1   I, the undersigned, a Certified Shorthand

2   Reporter of the State of California, do hereby

3   certify:

4   That the foregoing proceedings were taken

5   before me at the time and place herein set forth;

6   that any witnesses in the foregoing proceedings,

7   prior to testifying, were administered an oath; that

8   a record of the proceedings was made by me using

9   machine shorthand which was thereafter transcribed

10   under my direction; that the foregoing transcript is

11   a true record of the testimony given.

12   Further, that if the foregoing pertains to

13   the original transcript of a deposition in a Federal

14   Case, before completion of the proceedings, review

15   of the transcript [ ] was [x] was not requested.

16   I further certify I am neither financially

17   interested in the action nor a relative or employee

18   of any attorney or any party to this action.

19   IN WITNESS WHEREOF, I have this date

20   subscribed my name.

21

22   Dated: January 23, 2023

23   *Carla Soares*

24

25   CARLA SOARES

                      CSR No. 5908